

Report of the Board of Directors

Item 1 on the agenda

2022 financial statements:

- a) Approval of the Parent Company's 2022 financial statements
- b) Allocation of net income for the year and distribution of dividend to shareholders

Distinguished Shareholders,

pursuant to Article 2364 of the Italian Civil Code and Articles 7.3 and 29.3 of the Company's Articles of Association, we hereby submit for your approval the financial statements of the Parent Company Intesa Sanpaolo S.p.A. as at 31 December 2022 and the related proposal for allocation of net income for the year.

The reclassifications made to the shareholders' equity items are described in section 12 of Part B - Liabilities of the Notes to the Financial Statements. You are also reminded that, pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005 currently in force, a portion of net income corresponding to capital gains recognised in the income statement, net of the related tax charge and other than the gains from trading financial instruments and foreign exchange and hedging transactions, arising from application of the fair value criterion, must be recorded in an unavailable reserve. As at 31 December 2022, this amount was 788,081,637.72 euro.

On 4 November 2022, in compliance with the provisions of paragraph 4 of Article 2433-bis of the Italian Civil Code, the Board of Directors approved the distribution of an interim dividend from the 2022 net income, totalling 1,399,608,167.99 euro¹, corresponding to a unit amount of 7.38 euro cents per ordinary share. The dividend was paid out on 23 November 2022 (with coupon presentation on 21 November and record date on 22 November).

Given all the above, it is proposed to allocate the net income for 2022 of Intesa Sanpaolo S.p.A., which amounts to 4,284,455,586.61 euro, as follows:

	(euro)
Net income for the year	4,284,455,586.61
Interim dividend for 2022 of 7.38 euro cents, as approved by the Board of Directors on 4 November 2022 and distributed on 23 November 2022, for each of the 18,964,880,325 ordinary shares outstanding on the record date of 22 November 2022, for a total of	1,399,608,167.99
Assignment to the Legal reserve	60,000,000.00
Allocation of a dividend of 8.68 euro cents(*) per share to the 18,988,803,160 ordinary shares currently constituting the share capital, for a total of	1,648,228,114.29
Assignment to the Allowance for charitable, social and cultural contributions	18,000,000.00
Assignment to the Extraordinary reserve of the residual net income	1,158,619,304.33

¹ It does not include the interim dividend on the 23,922,835 own shares held at the record date, equal to 1,765,505.22 euro.

(*) Note: Calculation of the dividend per share made at the date of approval of these Proposals. The amount of the dividend per share could increase considering the execution of the programme of purchase of own shares for annulment (buyback) of a maximum number of 2,615,384,615 Intesa Sanpaolo shares, in accordance with Article 5.3 of the Articles of Association. The Company will communicate the final amount of the dividend per share at the end of the programme, and in any case by not later than 18 May 2023.

Therefore, considering the interim dividend of 1,400 million euro already paid and the remaining dividend of 1,648 million euro yet to be paid, the dividend for the year 2022 would amount to a total of 3,048 million euro, corresponding to a payout ratio of 70% of consolidated net income.

If this proposal is approved, the consolidated capital requirements would show a Common Equity Tier 1 ratio of 13.8% and a Total Capital Ratio of 19.1%, both amply meeting the requirements of the EU Bodies and the Supervisory Authority. At Parent Company level as well, the capital requirements would be well above the minimum requirements.

We propose that the remaining dividend for 2022 be paid, in compliance with the legal provisions, with effect from 24 May 2023 (payment date), with record date pursuant to Article 83-terdecies of the Consolidated Law on Finance on 23 May 2023 and coupon presentation date on 22 May 2023.

The dividends relating to the shares that will be in the meantime annulled in accordance with Article 5.3 of the Articles of Association will be assigned, on a proportional basis, to the other outstanding shares with dividend entitlement.

Any own shares held by the Bank at the record date of 23 May 2023 will not be entitled to dividends and the related amount will be allocated to the Extraordinary reserve.

If the proposal submitted is approved by you, and taking into account the reclassification to the Extraordinary reserve of the total net positive amount of 82,063,195.09 euro relating to the merger differences arising from the annulment of the shares of the subsidiaries UBI Leasing S.p.A., Intesa Sanpaolo Smart Care S.r.l. and Intesa Sanpaolo Agents4you S.p.A., merged during the year, as well as the effects of the other under common control transactions completed during the year (in this regard it should be noted that, pursuant to Article 172, paragraph 5, of the Consolidated Law on Income Taxes, in relation to the aforementioned transactions, Suspended tax reserves will be re-established for an amount of 403,504.85 euro), the shareholders' equity of Intesa Sanpaolo S.p.A. will be as shown in the table below.

(millions of euro)			
Shareholders' equity	Annual report 2022	Changes	Share capital and reserves of Annual Report 2022 after the Shareholders' Meeting resolutions
Share capital	10,369	-	10,369
Share premium reserve	28,212	-	28,212
Reserves	5,369	1,219	6,588
Valuation reserves	81	-	81
Equity instruments	7,188	-	7,188
Interim dividend	-1,400	1,400	-
Own shares	-50	-	-50
Total reserves	39,400	2,619	42,019
TOTAL	49,769	2,619	52,388

Distinguished Shareholders, you are therefore invited to resolve on the following:

- a) the proposal of approval of the Parent Company's 2022 financial statements,
- b) the proposal of allocation of net income for the year and distribution of dividend to shareholders,

all in accordance with the terms set out above.

28 February 2023

For the Board of Directors
the Chair - Gian Maria Gros-Pietro

This is an English translation of the original Italian document. In cases of conflict between the English language document and the Italian document, the interpretation of the Italian language document prevails.